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BEFORE THE
FEDERAL MARITIME COMMISSION

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OFFICE OF THE SECRETARY
FEDERAL MARITIME COMM

Petition P 3 -16

Petition of APL Co. Pte Ltd for an Exemption
from 46 C.F.R. § 530.10 and 46 C.F.R. § 520.7(a)(4)

1. Pursuant to Rule 76 of the Commission's Rules of Practice and Procedure, 46 C.F.R. § 502.76, APL Co. Pte Ltd on behalf of itself and American President Lines, Ltd. (hereinafter "APL" or "Petitioner") petitions the Commission for relief from the provisions of 46 C.F.R. § 530.10 requiring individual service contract amendments and 46 C.F.R. § 520.7(a)(4) prohibiting duplicative tariffs.
2. APL Co. Pte Ltd is a Singaporean company and a vessel operating common carrier under the Shipping Act of 1984, as amended. American President Lines, Ltd. is a Delaware corporation and is also a vessel operating common carrier.
3. APL is currently majority owned by CMA CGM S.A. ("CMA CGM") a vessel operating common carrier headquartered in Marseille, France. On or about September 1, 2016, APL will become delisted from the Singaporean stock exchange and be 100% owned by CMA CGM. At that time, CMA CGM will begin to consolidate certain operations under its various brands worldwide.
4. In the United States, CMA CGM currently operates under its own tariff and bill of lading and also under the tariff and bill of lading of its wholly owned subsidiary ANL Singapore Pte. Ltd. ("ANL"). ANL is a Singaporean company doing business in the U.S. through its wholly owned agent U.S. Lines, LLC. ANL's operations focus on the Transpacific and Oceania trades.
5. In order to consolidate brands in the United States, CMA CGM has made the decision to transfer the current ANL transpacific slot allocations to APL. Effective October 1, 2016, all of the space that ANL currently has on CMA CGM services in the transpacific will be transferred to APL. ANL will remain a VOCC in the U.S. and will continue for now to provide services on the Oceania trades.
6. The transfer of ANL transpacific business will include an assignment of all of ANL's service contracts in accordance with their terms and applicable law. There are approximately 600 service contracts that exclusively cover transpacific services to be assigned. ANL has approximately 175 contracts that exclusively cover the Oceania trades that will remain with ANL and another 175 contracts that are mixed

Transpacific/Oceania that will need to be amended individually in order to split the trade lanes between APL and ANL. This petition relates only to the 600 contracts to be completely assigned to APL.

7. Assignment of ANL's contracts to APL, even when performed in accordance with the terms of the contracts and applicable contract law, would require the filing with the FMC of an amendment to each contract.
8. It would be an undue burden on APL and the shipper parties to prepare and file an individual amendment for each of these service contracts. Therefore, Petitioner respectfully requests that in lieu of filing an amendment for each contract, the Commission permit APL to send a universal notice to the Commission and to each of the service contract parties. Petitioner proposes to send a notice in substantially the following form to each shipper party:

As you know, ANL's parent company CMA CGM has recently acquired APL. In order to streamline operations in the United States, a decision has been made to transfer ANL's transpacific slot allocations to APL effective as of October 1, 2016. All ANL U.S. service contracts that pertain exclusively to transpacific lanes will be assigned to APL as part of this consolidation. APL will honor all contractual obligations and continue to offer the same services and service quality to which you are accustomed. To the extent that your service contract permits assignment by notice, please consider this to be that notice. If your service contract requires that you consent to this assignment, we ask you to advise us by reply e-mail within 7 days after receipt if you require a formal consent to be prepared. If we have not heard from you by then or you continue to tender cargo under the contract on or after October 1, 2016, we will assume you agree to the assignment and do not require a formal consent. We have filed a petition with the FMC seeking an exemption from the amendment filing requirements that would otherwise apply to this assignment. If you have any questions, please do not hesitate to let us know.

9. The existing ANL tariffs covering transpacific trade lanes, specifically tariff nos. ANLS-001 (US to Asia) & ANLS-002 (Asia to US), will be taken over by APL and will be renumbered and republished under APL's organization number. This renumbering will result in a discrepancy between the tariff number identified in the ANL service contracts as governing tariffs and the new tariff numbers as republished by APL. In order to avoid having the amend each individual contract to change the numbers to the governing tariffs, APL seeks a waiver from 46 C.F.R. § 530.10 that permits it to instead insert the following notices in the existing ANL tariffs and the new APL tariffs respectively:

Notice in ANL tariff: This ANL tariff no. [ANLS-001 (US to Asia) or ANLS-002 (Asia to US)] is hereby terminated effective October 1, 2016. It is replaced and succeeded by APL tariff no. AP1, published at www.apl.com. All references to

this tariff in ANL service contracts in effect as of October 1, 2016, shall as from that date be read as references to said APL tariff.

Notice in APL tariff: This APL tariff no. AP1 is a replacement of and successor to ANL tariff nos. ANLS-001 (US to Asia) and ANLS-002 (Asia to US), which were terminated effective October 1, 2016. All references to said ANL tariff in ANL service contracts in effect as of October 1, 2016, shall as from that date be read as references to this APL tariff.

10. The Commission may grant an exemption from the requirements as requested herein under Section 16 of the Shipping Act, as amended, 40 U.S.C. § 40103 and the Commission's Rules of Practice and Procedure, if it determines that the exemption "will not result in substantial reduction in competition or be detrimental to commerce." The Commission has previously found that the grant of administrative exemptions of this nature meet this standard. *See, e.g., Petition of COSCO Container Lines Co. Ltd.*, No. P1-16 (FMC Feb. 29, 2016); *Petition of Crowley Caribbean Servs., LLC*, No. P4-15 (FMC Jan. 12, 2016); *Petition of Compania Sud Americana de Vapores S.A.*, 33 S.R.R. 934 (FMC 2015); *Petition of Hanjin Shipping Co., Ltd.* 31 S.R.R. 1080 (FMC 2009).
11. Petitioner respectfully submits that the same considerations that merited grant of the prior petitions apply here. The purely administrative exemption will not negatively impact competition or commerce. Moreover, it will benefit the shipper contract parties by reducing the administrative burden. Nor will shippers be negatively impacted by the assignment as their contract terms will be honored and the same services provided.
12. Petitioner accordingly respectfully requests that this petition be granted.

Respectfully submitted,



Eric R. Swett
Vice President and General Counsel,
Americas and authorized signatory
APL Co. Pte Ltd on behalf of itself and
American President Lines, Ltd.